**REMARKS**

Claims 1-9 and 12-120 are currently pending. Claims 10 and 11 have been canceled without prejudice. Claims 1 and 3-9 have been amended and are supported by the original claims and/or on page 8, lines 10-18, of the application as filed. Claims 12-15 have been added to enhance the scope of patent protection and are supported by, for example, page 8, lines 19-20, of the application as filed. Claims 16-20 have been added to enhance the scope of patent coverage and are supported by original claims 5-9 and Figures 1 and 3. It is respectfully submitted that no new matter has been added.

The Patent Office objected to claims 1, 3, and 6-9 for informalities. The amendment of the claims is believed to have overcome the objections by the Patent Office. The Patent Office is respectfully requested to remove its objections to the claims.

The Patent Office rejected claims 1-10 under 35 U.S.C. 112, second paragraph, as being indefinite. The amendment of the claims is believed to have overcome the rejections under 35 U.S.C. 112, second paragraph, by the Patent Office. The Patent Office is respectfully requested to remove its rejections under 35 U.S.C. 112, second paragraph.

The Patent Office rejected claims 1-11 under 35 U.S.C. 103(a) as being unpatentable over Hluchyj, U.S. Patent No. 5,115,429, in view of Song, U.S. Patent No. 6,240,299.

The packet-switched network of Hluchyj is a fixed network (designed originally for a computer network). Hluchyj teaches how also bursty real-time data (i.e., voice and video) can be transmitted in the depicted network which is basically designed for non-real-time data.

Hluchyj discloses a dynamic encoding rate control system which minimizes traffic congestion in the depicted network. Every network node comprises a mechanism which can sense a network overload. When the overload is detected, the node instructs at least one real-time terminal connected to the network to switch from one coding rate to a second, slower coding rate.

The Patent Office has ignored the basic differences between Hluchyj and the claimed invention. Applicant argues that Hluchyj differs from the claimed invention because 1) the network of Hluchyj is a fixed network, not a cellular radio network and 2) the decision about the utilized coding rate is always made in the network node of Hluchyj. In the claimed invention, the network terminal makes the decision about the reduction of bits in the speech sample.

The second reference, Song, discloses an answering machine/ voice memo system used with a cellular terminal. Song depicts how voice samples can be decimated before saving them in the memory of the cellular terminal. Using decimation, the required memory capacity of a particular voice sample, when saved in a terminal, can be decreased considerably.

Song is directed to internal functions of a cellular terminal and does not teach how the number of bits in the speech sample could be reduced <u>during transmission</u> from a cellular network terminal to a base station of a cellular network (an external process).

The motivation set forth in the office action for combining Hluchyj and Song (i.e. to reduce storage space in the terminal) has nothing to do with either the problem Applicant's invention provides a solution for or the problem Hluchyj is directed to. The claimed invention (relating to a radio network) and Hluchyj (relating to a fixed computer network) provide different solutions which a lack of transmission capacity in at least one line of a telecommunications network is detected.

The claims as amended help to emphasize the difference between Applicant's disclosed invention and Hluchyj such as by reciting that the decision about reducing bits or stealing a speech frame is made at the cellular terminal.

Thus, claims 1-9 and 12-15 are allowable over Hluchyj and Song.

The Patent Office is respectfully requested to reconsider and remove the rejections of the claims 1-11 under 35 U.S.C. 103(a) based on Hluchyj in view of Song, and to allow all of the pending claims 1-9 and 12-20 as now presented for examination. An early notification of the allowability of claims 1-9 and 12-20 is earnestly solicited.

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Respectfully submitted:


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_11/09/2007_          _Elaine F. Mian_

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